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RUMANIAN POL EXPORTS

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a. Present pattern of POL exports from Rumania:

(1) Crude, refined, etc:

Table I shows the estimated exports of petroleum in 1954 and 1955 from Rumania to countries not within the Sino-Soviet Bloc*.

(2) Percentage going to non-Bloc countries:

Rumanian exports of petroleum to non-Sino-Soviet Bloc countries are estimated to have accounted for about 28 percent of total Rumanian exports of petroleum in 1954 and will probably account for about 31 percent in 1955.

(3) Present trend in volume:

In 1955, petroleum exports from Rumania to non-Sino-Soviet Bloc countries will probably increase more than 10 percent over the 1954 estimate. (see Table 1)

(4) Receiving countries:

Table 2 shows the non-Sino-Soviet Bloc countries receiving petroleum products from Rumania in 1954 and 1955.

*Includes the whole complex (USSR, China, and all European and Asiatic satellites)

(5) Oil refining equipment being exported:

A study of all available sources indicates that Rumanian exports of oil refinery equipment to countries not within the Sino-Soviet Bloc are negligible. In the research on this matter, the Department of Commerce and the Department of State, as well as other agencies, were consulted and material of

all sources considered. Statistics pertaining to Rumania's trade with countries beyond the Sino-Soviet Bloc during the past three years indicate that Rumania's exports of all machinery were very limited. Also, in order to meet its requirements, Rumania imported oil refinery equipment from the west prior to World War II and, subsequent thereto, from the Soviet Bloc*. Hence it is believed that Rumania is not in a position to carry on a significant export trade in oil refinery equipment.

*Refers to the USSR and European satellites (including East Germany)

b. Competitive position of Rumania in selling its POL:

Rumania is in a very good competitive position in selling its petroleum to non-Sino-Soviet Bloc countries. The petroleum products produced in the Rumanian refineries are generally of good competitive quality. The fuel oil is in demand in the industrial countries of the west because of its low sulphur content. Rumania's competitive position is enhanced by its willingness to accept commodities produced in the Free World for petroleum products. Operating under a controlled economy, Rumania can, if necessary, sell petroleum at lower FOB prices than the Free World oil producing countries. Similarly, the Rumanian port of Constanta, on the Black Sea, provides easy access to ocean-going tankers.

c. Importance of POL in total Rumanian exports:

(1) The importance of Rumania in the drive to sell petroleum products in the Free World is indicated by the major role it plays in the current Soviet Bloc exports of petroleum. In 1954, more than 50 percent of the Soviet Bloc exports to the Free World of motor gasoline, kerosine and residual fuel oil, and more than 20 percent of the distillate fuel oil came from Rumania. In 1955, of Bloc exports to the Free World, about one half of the motor gasoline, three quarters of the kerosine, 35 percent of the distillate fuel oil, and 45 percent of the residual fuel oil, are estimated to be of Rumanian origin. Although Rumania accounts for less than 15 percent of the total Soviet Bloc production of petroleum, it is the source of 40 percent of the Soviet Bloc exports of petroleum to the Free World.

(2) Exports to the Free World:

In 1954 Rumanian exports to the Free World amounted to \$87.6 million; Rumanina POL exports to the Free World amounted to \$41.8 million. POL, as percent total of Rumanian exports to the Free World is 47.7%. It should be noted that, of this Free World POL export total, \$25.8 million was exported to Finland under a triangular trade agreement among Rumania-Finland-USSR. The \$24.3 export surplus from the Finnish trade was paid for by Finland with clearing rubles rather than western exchange.

TABLE 1

**Estimated Exports of Petroleum Products
from Rumania to the Non-Bloc Countries
Thousand Metric Tons**

Product	1954	1955
Crude Oil	0	0
Motor Gasoline	395	400
Kerosine	180	340
Distillate Fuel Oil	240	400
Residual Fuel Oil	1,133	1,020
Lubricants	0	0
Total	1,950	2,160

TABLE 2

**Countries of the Free World Receiving
Petroleum Products from Rumania
Thousand Metric Tons**

Country	1954	1955
Finland	790	810
Italy	210	170
Norway	180	11
Belgium	160	180
Sweden	135	230
France and Algiers	130	70
Egypt	115	240
Netherlands	105	70
Greece	50	220
Israel	20	120
Austria	20	20
Turkey	15	15
West Germany	10	0
India	7	4
Yugoslavia	3	0
Total	1,950	2,160